

Fiscal Note

Fiscal Services Division



SF 2328 – Court Fines Collection (LSB 5655SV)

Analyst: Jennifer Acton (Phone: 515-281-7846) (jennifer.acton@legis.state.ia.us)

Fiscal Note Version – New

Description

Senate File 2328 allows county treasurers to collect delinquent taxes on behalf of the Department of Revenue from a person renewing a vehicle registration beginning July 1, 2010, (FY 2011) and to charge a \$5 processing fee. The Bill requires a plan for the collection of court debt by county treasurers to be submitted to the General Assembly by December 1, 2010, and to implement the collection of court debt beginning July 1, 2011 (FY 2012).

Background

County treasurers are required to refuse to renew a vehicle registration if the treasurer knows that the person has a delinquent account, charge, fee, loan, taxes, or other indebtedness owed to or being collected by the State. The debt has to be paid before the county treasurer can renew the vehicle registration.

The Motor Vehicle Division of the Department of Transportation receives 96.0% of its budget from the Road Use Tax Fund (RUTF) and 4.0% from the Primary Road Fund.

Assumptions

- This Bill allows the Department of Revenue to provide the county treasurers access to confidential information required for the collection of delinquent taxes and makes the county treasurers subject to confidentiality requirements and penalties.
- The Department of Revenue will adopt administrative rules to implement the collection program for county treasurers.
- If the person renewing their vehicle registration chooses to pay their delinquent taxes with the county treasurer, a \$5 processing fee will be charged and deposited in the county general fund.
- In FY 2008, there were approximately 4.1 million vehicles registered in the State of Iowa. This includes automobiles, trucks, motor homes, buses, multi-purpose vehicles, motorcycles, tractor/trucks, and trailers.
- The Department of Transportation information technology programming to implement the program is estimated to include 1,013 hours and totals approximately \$55,000. In addition, there is a 10.0% administrative cost of \$5,000.

Fiscal Impact

The Department of Revenue cannot estimate the costs associated with changes to its information systems and collections processes. The Department of Transportation impact for programming is approximately \$60,000 and will be absorbed within the current budget. The Judicial Branch anticipates FY 2012 costs associated with changes to its computer interface but these costs cannot be estimated prior to the completion of the plan in December 2010.

This Bill may result in additional receipts to the General Fund or other funds resulting from collection of debt, but the amount cannot be estimated. This Bill may also result in additional revenue to county treasurers as a result of the \$5 filing fee, but the amount cannot be estimated.

Sources

Judicial Branch
Department of Revenue
Department of Transportation

/s/ Holly M. Lyons

February 23, 2010

The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#). Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
